

USAID GRANT AGREEMENT NO. 497-021.01

THIRD AMENDMENT

TO

STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

AND

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

FOR

ECONOMIC GROWTH AND JOB CREATION

IN

INDONESIA

Dated: AUGUST 22, 2008

Third Amendment dated AUGUST 22, 2008 to the Strategic Objective Grant Agreement dated May 7, 2005 between the Republic of Indonesia (the "Grantee") and the United States of America, acting through the United States Agency for International Development ("USAID") (collectively, the "Parties") for Economic Growth and Job Creation in Indonesia.

SECTION 1. The Agreement, previously amended, is hereby further amended as follows:

A. Article 3, Contribution of the Parties, is amended as follows:

i. Section 3.1 (USAID Contribution) is amended as follows:

a. Section 3.1(a) is amended by deleting "Fifty Six Million Nine Hundred Fifty Five Thousand Six Hundred Thirty Four United States ("U.S.") Dollars (\$56,955,634)" and substituting "Eighty Two Million Seven Hundred Ten Thousand Six Hundred Fifty Two United States ("U.S.") Dollars (\$82,710,652)" in lieu thereof.

b. Section 3.1(b) is amended by deleting "Seventy Three Million Eight Hundred Thousand U.S. Dollars (\$73,800,000) and substituting "Eighty Two Million

Seven Hundred Ten Thousand Six Hundred Fifty Two U.S. Dollars (\$82,710,652)”

in lieu thereof.

ii. Section 3.2 (Grantee Contribution) is deleted in its entirety and the following is substituted in lieu thereof:

“The USAID Contribution under Section 3.1, as planned, will be funded with Economic Support Funds. As such, the Grantee is not legally required to make a contribution to this Agreement. However, the Grantee agrees that it will endeavor to provide or cause to be provided any contribution, including in-kind contributions, necessary to achieve the Objective under this Agreement.”

B. The following paragraph at Section E.4. (Coordination) of Annex 1, Amplified Description is deleted in its entirety:

“USAID implementing partners may enter into working groups and memoranda of understanding with appropriate implementing GOI agencies, including local governments, to facilitate program implementation provided such actions do not contravene the terms and conditions of this Agreement [or] any contract, grant, cooperative agreement or other type of agreement entered into by USAID and its partners to implement this Objective. USAID and the Grantee acknowledge that such arrangements do not constitute a legally binding commitment on the Government of the Republic of Indonesia [or] the Government of the United States.”

C. The Attachment (Illustrative Financial Plan) to Annex 1, Amplified Description, is deleted in its entirety and the attached Attachment (Illustrative Financial Plan) to Annex 1, Amplified Description is substituted in lieu thereof.

SECTION 2. Except as specifically amended or modified herein, the Agreement shall remain in full force and effect in accordance with all of its terms.

SECTION 3. Effectiveness. This Third Amendment shall enter into force when signed by both Parties hereto.

IN WITNESS WHEREOF, the Republic of Indonesia and the United States of America, each acting through its respective duly authorized representatives, have caused this Third Amendment to be signed in their names and delivered as of the day and year first above written.

**FOR THE GOVERNMENT OF
REPUBLIC OF INDONESIA**


BY: _____
Dr. Slamet Seno Adji, MA
Deputy for Economic Affairs
BAPPENAS

**FOR THE GOVERNMENT OF
UNITED STATES OF AMERICA**


BY: _____
Walter North
Mission Director, Indonesia
United States Agency for
International Development

**ILLUSTRATIVE FINANCIAL PLAN
STRATEGIC OBJECTIVE GRANT AGREEMENT
FOR
ECONOMIC GROWTH AND JOB CREATION**

BUDGET ELEMENT	USAID			
	Obligation To Date	FY 2008 Obligation	Total Obligation	Total Planned Contribution
1. Program Areas Financial Sector Safety and Soundness Improved and Institutions Strengthened Business Climate Improved for Enterprise Development, Trade and Job Creation	54,599,166	25,049,620	79,648,786	79,648,786
2. Administrative and Program Support Evaluation and Audit Staffing & Logistics for Administrative Support	2,356,468	705,398	3,061,866	3,061,866
Total Strategic Objective Agreement	56,955,634	25,755,018	82,710,652	82,710,652

Clearance by:



Dr. Slamet Seno Adji, MA
Deputy for Economic Affairs
BAPPENAS